

Mr. Tim Arnold, Director
Contracts Management Office
Broad Agency Announcements and Types of Award Instruments

DARPA uses contracting agents in Army, Navy, and Air Force organizations to award about 80 percent of its contracting actions. Our Contracts Management Office (CMO) uses Broad Agency Announcements (BAAs) to award contracts, grants, cooperative agreements, and Other Transactions. DARPA's acquisition process is tailored to science and technology, not supplies and systems. BAAs emphasize speed and flexibility. They address broad and focused themes. DARPA BAAs are generally open, for proposal submission, 8 to 12 months. BAAs are widely publicized via the web. Our web site is www.darpa.mil, and the official federal acquisition opportunities website is www.fedbizopps.gov. We also use symposiums such as this to discuss contracting opportunities. Since there is no common statement of work, each proposal stands alone and is not compared to another. This allows competition and proprietary innovation to co-exist. Technical discussions are permitted to determine relevance of the proposed technical approach to the BAA problem. DARPA also furnishes a web file of frequently asked questions on each BAA.

Proposals submitted under a BAA are evaluated by a panel of Government scientists. BAAs are evaluated against published evaluation criteria. Proposals are chosen based on innovation and degree of difficulty based on the current state-of-the-art. The award instrument is tailored to the performer and awarded in a rapid manner. Over the past 4 years, CMO has issued more than 150 BAAs and made over 400 new awards.

Now, I will explain some of the differences among award instruments. A contract is governed by the Federal Acquisition Regulation (FAR) and procurement statutes for federal contracting. Since payment is usually based upon cost reimbursement and audit-verified overhead rates, a company must have an approved accounting system. This means that it must be able to separate costs associated with a DARPA contract, such as manhours and supplies from costs associated with other clients. Under a contract, you usually must work, bill, then get paid. The Defense Finance and Accounting Service (DFAS) pays our bills, and the forms needed to trigger a payment must be completed in an exact manner. Additionally, DFAS wants to pay you electronically. To do that, you must register in the Centralized Contractor Registration (CCR) Program. See website www.ccr.gov for registration information.

A grant is somewhat less restrictive than a contract and is governed by Office Management Budget (OMB) circulars rather than the FAR. It is more of an assistance mechanism with less government involvement and oversight. Grants are used when the principal purpose of the relationship is the transfer of a thing of value to the recipient in order to accomplish a public purpose. Grants are well suited for universities and nonprofits. Again, DFAS pays the bills, and the university or nonprofit must register in the CCR Program.

Another type of assistance mechanism is a cooperative agreement. It is used when the Federal Government needs to participate substantially in the performance of the work. A good example is where the development work is being performed by a team or consortium involving a federal Other Transaction.

Other Transactions may be used to fund research or prototype development when the instrument needs to be tailored to accommodate program needs. Such needs would include access to commercial companies or technology; performance by a special team or consortium; or very rapid, affordable development of a prototype. Other Transaction authority comes from two statutes, which allow DoD agencies to deal with firms that are not traditional Defense suppliers or that might need special treatment of intellectual property rights. Other Transactions are not governed by the FAR or most procurement statutes, but often require the participation by nontraditional performers or cost sharing when the subject technology has commercial potential. Payments can be triggered by the accomplishment of technical milestones or reimbursement of cost, although the former method is preferred. Other Transactions are particularly well suited for consortia, commercial firms, and small innovators.

I hope this helps, and I'd now like to welcome Connie Jacobs, our small business advocate.